

RESOLUTION NO.

**APPROVAL OF THE SKAGIT COUNTY
FOURTEEN-YEAR FERRY CAPITAL IMPROVEMENT PLAN 2019-2032**

WHEREAS, Skagit County is required under R.C.W. 36.54.015, RCW 36.81.121 and W.A.C. 136.400.040 to have an annual capital improvement plan for the Ferry; and

WHEREAS, the Fourteen-Year Ferry Capital Improvement Plan 2019-2032 is submitted to the Board of Skagit County Commissioners; and

WHEREAS, the Department of Public Works shall include portions of the Fourteen-Year Ferry Capital Improvement Plan in the Six-Year Transportation Improvement Program, which includes the ferry projects; and

WHEREAS, the Board of Skagit County Commissioners has met in various work sessions with the Department of Public Works to review the preparation of the recommended Six-Year Transportation Improvement Program; and

WHEREAS, the financial plan, along with other parts of the Transportation Element of the Skagit County Comprehensive Plan, have been considered in the preparation of the Six-Year Transportation Improvement Program as required by RCW 36.70A.070; and

WHEREAS, the recommended Fourteen-Year Ferry Capital Improvement Plan 2019-2032 is found by Public Works Staff to be consistent with the requirements of R.C.W. 36.70A.070.

NOW, THEREFORE, BE IT RESOLVED AND IT IS HEREBY ORDERED by the Board of Skagit County Commissioners that the Fourteen-Year Ferry Capital Improvement Plan 2019-2032, as attached and made a part hereto of this Resolution, is hereby approved and adopted.

DATED this 18 day of December, 2018.



Attest:

Amber Enns

Clerk of the Board

Approved as to Form: *(Resolution ind.)*

12-16-18
Deputy Prosecuting Attorney

BOARD OF COUNTY COMMISSIONERS
SKAGIT COUNTY, WASHINGTON

Kenneth A. Dahlstedt
Kenneth A. Dahlstedt, Chair

Lisa Janicki
Lisa Janicki, Commissioner

Ron Wesen
Ron Wesen, Commissioner

Approved as to content:

Department Head

SKAGIT COUNTY



Fourteen-Year Ferry Capital Improvement Plan **2019 – 2032**



Prepared by
Department of Public Works

OVERVIEW

The Fourteen-Year Ferry Capital Improvement Plan (the "Plan") is a general guide for the effective, efficient and continuing operation of the Skagit County ferry system. This program will assist the County Engineer and ferry division management in planning for capital projects that pertain to replacement and improvement projects for the Skagit County ferry system.

The Plan serves as a general guide for long-term planning, thus does not require strict adherence. As events unfold, future plans may change as the needs of the ferry system and the available financing become clearer. The Board of Skagit County Commissioners, with advice from the County Engineer, will ultimately decide capital improvements based on priority and available funds.

The capital projects listed in the Plan are the result of input from various County departments, governmental agencies, citizen groups, and over fifty years of experience operating and maintaining the ferry system, while complying with applicable state law.

GOVERNING WASHINGTON STATE LEGISLATURE

The Revised Code of Washington ("RCW") and the Washington Administrative Code ("WAC") contain laws as they pertain to the Fourteen-Year Ferry Capital Improvement Plan and the Six-Year Transportation Improvement Program ("TIP"), as follows:

RCW 36.54.015: "Ferries-Fourteen year long range improvement plan-Contents", which states, "The legislative authority of every county operating ferries shall prepare, with the advice and assistance of the county engineer, a fourteen year long range capital improvement plan embracing all major elements of the ferry system. Such plan shall include a listing of each major element of the system showing its estimated current value, its estimated replacement cost and its amortization period."

RCW 36.81.121: "Perpetual advanced six-year plans for coordinated transportation program, expenditures-Nonmotorized transportation-Railroad right-of-way", which states,

"(1) At any time before adoption of the budget, the legislative authority of each county, after one or more public hearings thereon, shall prepare and adopt a comprehensive transportation program for the ensuing six calendar years. If the county has adopted a comprehensive plan pursuant to chapter [35.63](#) or [36.70](#) RCW, the inherent authority of a charter county derived from its charter, or chapter [36.70A](#) RCW, the program shall be consistent with this comprehensive plan.

The program shall include proposed road and bridge construction work and other transportation facilities and programs deemed appropriate, and for those counties operating ferries shall also include a separate section showing proposed capital expenditures for ferries, docks, and related facilities. The program shall include any new or enhanced bicycle or pedestrian facilities identified pursuant to RCW [36.70A.070](#)(6) or other applicable changes that promote nonmotorized transit. Copies of the program shall be filed with the county road administration board and with the state secretary of transportation not more than thirty days after its adoption by the legislative authority. The purpose of this section is to assure that each county shall perpetually have available advanced plans looking to the future for not less than six years as a guide in carrying out a coordinated transportation program. The program may at any time be revised by a majority of the legislative authority but only after a public hearing thereon.

(2) Each six-year transportation program forwarded to the secretary in compliance with subsection (1) of this section shall contain information as to how a county will expend its moneys, including funds made available pursuant to chapter [47.30](#) RCW, for nonmotorized transportation purposes.

(3) Each six-year transportation program forwarded to the secretary in compliance with subsection (1) of this section shall contain information as to how a county shall act to preserve railroad right-of-way in the event the railroad ceases to operate in the county's jurisdiction.

(4) The six-year plan for each county shall specifically set forth those projects and programs of regional significance for inclusion in the transportation improvement program within that region."

WAC 136-400-040: "Six-year transportation program and ferry system fourteen-year plan submittal", which states,

"(1) Each county's six-year transportation program and ferry system fourteen-year long range capital improvement plan shall be prepared and adopted in accordance with RCW [36.81.121](#) and [36.54.015](#), respectively, and one copy shall be forwarded to the county road administration board no later than December 31 of each year.

(2) Any proposed county ferry capital improvement project must be included in both the county's six-year transportation program and ferry system fourteen-year capital improvement plan and must remain on both during all of the phases of the project including:

- (a) At the time a county requests a call for projects;
- (b) At the time the county submits a project funding application; and
- (c) Until the project is completed or the project is otherwise terminated.

(3) The county ferry capital improvement project cost estimates that are included in the county's six-year transportation programs and ferry system fourteen-year plans shall be considered preliminary and are not binding on actual county ferry capital improvement project applications."

HISTORICAL HIGHLIGHTS OF THE GUEMES ISLAND FERRY SYSTEM

- In the late 1800's, a private ferry system was established.
- In the early 1900's, the first vehicle ferry carried 6 cars, was privately owned and subsidized by the County.
- In 1958, the privately-operated ferry expanded its service and purchased the M/V Almar with a capacity of 11 vehicles.
- In 1962, Skagit County purchased the M/V Almar and all ferry facilities and began full management of the ferry system.
- In 1978, Skagit County began planning for a larger ferry vessel and related dock improvements.
- In 1979, Skagit County replaced the M/V Almar with the newly constructed M/V Guemes, which currently serves Guemes Island with a capacity of approximately 21 vehicles and 99 passengers. The County also replaced the ferry docks and associated infrastructure.
- In 2005, the M/V Guemes was re-powered with new engines and transmissions.
- In 2010, Skagit County replaced the creosote dolphins at the Guemes Island landing with steel pilings, and replaced the four wing walls at the Anacortes and Guemes landings.
- In 2010, Skagit County built a new terminal building at the Anacortes landing.

- In 2011, Skagit County replaced the girders on both the Anacortes and Guemes Island docks and completed an asphalt overlay at the Anacortes terminal.
- In 2013, Skagit County hired Elliott Bay Design Group to prepare a ferry replacement plan for future replacement of the 37-year old M/V Guemes.
- In 2014, Skagit County replaced the five remaining creosote dolphins at the Anacortes landing with steel pilings.
- In 2016, Skagit County replaced the creosote timber breakwater with a new vertical plastic timber wave wall. As of the completion of this project, February 29, 2016, all creosote was eliminated from the Anacortes and Guemes Island ferry terminals.
- In 2016, Skagit County began researching all-electric propulsion technology as an option for a new vessel to replace the M/V Guemes. Art Anderson Associates, a naval architecture firm, completed a propulsion study which determined that all-electric technology would be feasible for the route.
- In 2017, Skagit County hired Glosten, a naval architecture firm, for the design of a replacement vessel for the M/V Guemes. Concept design was complete December 31, 2017.
- In 2018, the County Road Administration Board (CRAB) approved Skagit County for \$7.5 million through the County Ferry Capital Improvement Program for the Ferry Replacement Project. Funding is pending state legislature approval in 2019.

ELEMENTS OF THE PLAN

The following tables are updated annually:

Table 1: Ferry System Current and Replacement Values

This table meets the requirements set forth in RCW 36.54.015 showing the current value, replacement cost, and amortization periods for the vessel and facilities. The current value of the vessel is the insured value, the closest approximation of true worth. The current value of the facilities is book value, original cost less depreciation.

Table 2: Projected Expenditures

The expenditure portion of RCW 36.81.121, subsection (1) is satisfied by Table 2, showing all expenditures for the ferry system that meet subsection (2) requirements. In Table 2, projected expenditures are categorized as vessel operations, non-vessel operations and capital.

Projected vessel costs include wages and benefits, fuel, general maintenance, supplies, insurance, and haul out expenditures. United States Coast Guard regulations require that the M/V Guemes be hauled out every two years for inspection purposes and to maintain the vessel's Certificate of Operation. Skagit County has adopted an aggressive maintenance program which provides for an annual haul out of the vessel when possible or necessary. This regular maintenance program improves reliability, lowers costs and protects our capital investment. The last haul out of the vessel was in March, 2017. The ferry will be hauled out again February 25, 2019.

Projected non-vessel costs include terminal maintenance and repair, administration, supplies, external taxes and miscellaneous expenditures. Non-vessel costs also include the dock and bridge structures.

The dock and bridge structures are inspected regularly as required by the National Bridge Inspection Standards administered through the Washington State Department of Transportation. This inspection report assists with identifying and scheduling major maintenance and replacement of these facilities. The last routine/fracture critical bridge inspection was completed in October 2018; this inspection is scheduled on a 24-month frequency. The last underwater

inspection was performed in May 2017; this inspection is scheduled on a 60-month frequency. A number of priority maintenance repairs identified in the inspection reports will be addressed in 2019. The repairs are not capital in nature; therefore, they are not included in the Plan. In 2020, the Anacortes dock three northeastern-most girders will be replaced due to saltwater intrusion and degradation. Design work for this project will be completed in 2019. This project has also been included in the Six-Year TIP.

Capital expenditures for 2019 are shown in Table 3 as follows:

- \$1,418,000 for preliminary design for the Ferry Replacement Project.
- \$50,000 for design for the Guemes Ferry Terminal Girder Replacement Project.

Total capital expenditures for 2019 are estimated at \$1,468,000. Skagit County has planned \$1,220,000 in state and federal grant funding and \$198,000 in local funding for preliminary design for the Ferry Replacement Project. For the Guemes Ferry Terminal Girder Replacement Project, \$40,000 in grant funding and \$10,000 in local funding is planned for design. The federal source of funding for both projects has been secured through the Ferry Boat Program. The state source of funding (in the estimated amount of \$500,000) for the Ferry Replacement Project is not yet secured; however, it is pending legislative approval in 2019.

Table 3: Capital Improvement Projects

This table is meant to provide general guidance for specific capital facility improvement projects for the Skagit County ferry system from 2019-2032. In order for projects to be eligible for grant funding, they must be included in the Six-Year TIP and the Fourteen-Year Ferry Capital Improvement Program.

Table 4: Projected Revenue

This table includes ferry fare receipts, motor vehicle fuel tax attributed to ferry operations, ferry deficit reimbursement, county road fund subsidy and any anticipated grant funds. On June 18, 2018, the Board of Skagit County Commissioners approved Resolution R20180123 establishing a vessel replacement surcharge effective August 1, 2018. Per RCW 36.54.200, a county operating a ferry may impose a vessel replacement surcharge on every fare sold to be used only for the construction or purchase of ferry vessels, and to pay the principal and interest on bonds authorized for the construction or purchase of ferry vessels. Anticipated annual revenue is approximately \$245,000.

TABLE 1: FERRY SYSTEM CURRENT AND REPLACEMENT VALUES
VESSEL

<i>CURRENT STATISTICS</i>	<i>M/V GUEMES</i>
Length	124'
Beam	52'
Displacement	91 GT
Year Built	1979
Capacity - Passengers	99
Capacity - Cars	21
Current Book Value	\$3,412,500
Total Vessel Current Value	\$3,412,000

<i>CURRENT BOOK VALUE</i>	<i>REPLACEMENT VALUE-2019</i>
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\$3,412,000

<i>REPLACEMENT STATISTICS</i>	<i>M/V GUEMES</i>
Year	2020
Capacity - Passengers	150
Capacity - Cars	32
Total Vessel Replacement Value	\$21,704,000

\$21,704,000
FACILITIES

<i>LOCATION</i>	<i>YEAR BUILT</i>	<i>REPLACEMENT YEAR</i>	<i>CURRENT BOOK VALUE</i>	<i>REPLACEMENT VALUE-2019</i>
Guemes Island Landing				
Dock	2011	2041	\$1,424,008	\$1,566,409
Transfer Span/Machinery	1979	2025	\$1,317,000	\$2,000,000
Dolphins/Wingwalls	2010	2040	\$954,736	\$1,069,304
Head Frame and Towers	1979	2026	\$100,000	\$350,000
Passenger Shelter	1979	2024	\$1,000	\$10,000
Parking Lot	1979	2024	\$150,100	\$250,000
Subtotal of Guemes Landing			\$3,946,844	\$5,245,713
Anacortes Landing				
Dock	2011	2041	\$1,368,182	\$1,505,000
Transfer Span/Machinery	1979	2025	\$1,317,000	\$2,000,000
Breakwater	2016	2056	\$200,000	\$462,000
Dolphins/Wingwalls	2014	2054	\$1,100,000	\$1,144,000
Head Frame and Towers	1979	2026	\$100,000	\$350,000
Terminal Building(s)	2010	2050	\$778,316	\$871,714
Parking Lots	2004	2040	\$1,067,948	\$1,324,256
Walkway	2010	2040	\$68,481	\$76,699
Subtotal of Anacortes Landing			\$5,999,927	\$7,733,668
Total Facilities Values			\$9,946,771	\$12,979,381
Total Vessel & Facilities Values			\$13,358,771	\$34,683,381

TABLE 2: PROJECTED EXPENDITURES

(in 1000's of dollars)

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Operations: Vessel														
Dry Docking-Shipyard ⁽¹⁾⁽²⁾	\$650	\$663	\$0	\$0	\$300	\$0	\$0	\$318	\$0	\$0	\$337	\$0	\$0	\$357
Wages & Benefits ⁽¹⁾	\$1,203	\$1,227	\$1,252	\$1,277	\$1,302	\$1,328	\$1,355	\$1,382	\$1,410	\$1,438	\$1,466	\$1,496	\$1,526	\$1,556
Fuel ⁽¹⁾	\$175	\$179	\$182	\$186	\$189	\$193	\$197	\$201	\$205	\$209	\$213	\$218	\$222	\$226
General Maintenance ⁽¹⁾	\$235	\$240	\$244	\$249	\$254	\$259	\$265	\$270	\$275	\$281	\$286	\$292	\$298	\$304
Supplies ⁽¹⁾	\$202	\$206	\$210	\$214	\$219	\$223	\$227	\$232	\$237	\$241	\$246	\$251	\$256	\$261
Insurance ⁽¹⁾	\$90	\$92	\$94	\$96	\$97	\$99	\$101	\$103	\$105	\$108	\$110	\$112	\$114	\$116
Misc. ⁽¹⁾⁽⁴⁾	\$100	\$100	\$0	\$0	\$0	\$100	\$0	\$0	\$100	\$0	\$0	\$100	\$0	\$0
Subtotal - Vessel	\$2,655	\$2,706	\$1,982	\$2,022	\$2,362	\$2,203	\$2,145	\$2,506	\$2,332	\$2,277	\$2,659	\$2,469	\$2,416	\$2,822
Operations: Non-Vessel														
Facility Maintenance / Repair ⁽¹⁾⁽⁶⁾	\$355	\$162	\$165	\$169	\$172	\$175	\$179	\$182	\$186	\$190	\$194	\$197	\$201	\$205
Administration ⁽¹⁾	\$75	\$77	\$78	\$80	\$81	\$83	\$84	\$86	\$88	\$90	\$91	\$93	\$95	\$97
Supplies ⁽¹⁾	\$17	\$17	\$18	\$18	\$18	\$19	\$19	\$20	\$20	\$20	\$21	\$21	\$22	\$22
External Taxes ⁽¹⁾⁽³⁾	\$29	\$30	\$30	\$31	\$31	\$32	\$33	\$33	\$34	\$35	\$35	\$36	\$37	\$38
Misc. ⁽¹⁾⁽⁵⁾	\$100	\$102	\$104	\$106	\$108	\$110	\$113	\$115	\$117	\$120	\$122	\$124	\$127	\$129
Subtotal - Non-Vessel	\$576	\$387	\$395	\$403	\$411	\$419	\$428	\$436	\$445	\$454	\$463	\$472	\$482	\$491
Capital Expenditures Vessel & Non-Vessel														
(See Table 3 for details)														
Capital Expenditures (see Table 3)	\$1,468	\$20,822	\$0	\$0	\$0	\$260	\$4,000	\$700	\$0	\$1,180	\$0	\$0	\$0	\$0
TOTAL	\$4,699	\$23,916	\$2,377	\$2,425	\$2,773	\$2,883	\$6,573	\$3,643	\$2,777	\$3,911	\$3,122	\$2,941	\$2,898	\$3,313

⁽¹⁾ 2019 cost based on projected/budgeted amount for 2019, plus 0% growth, 2% inflation in years following

⁽²⁾ Haul-out expenditures based on annual haul-out through 2020; at 2% inflation; beyond 2021, projections based on vessel replacement in 2021

⁽³⁾ DNR lease, plus projected excise taxes

⁽⁴⁾ Misc. for vessel is rentals for passenger-only service, and other haul-out associated costs

⁽⁵⁾ Misc. for non-vessel is for professional services, small tools & minor equipment, communications, travel/training, advertising, utilities, contracted services, Interfund payments

⁽⁶⁾ A major maintenance project will take place at the ferry docks in 2019 to address priority repairs identified in recent bridge inspections. Beyond 2019, routine maintenance & repair expenditures are planned.

TABLE 3: CAPITAL FACILITY IMPROVEMENT PROJECTS

(in 1000's of dollars) Capital Projects

Capital Item	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Ferry vessel replacement (electric or plug-in hybrid) ⁽¹⁾⁽²⁾	\$1,418	\$20,286												
Battery replacement (vessel & shore side) ⁽¹⁾										\$1,180				
Girder replacement - Anacortes ⁽¹⁾⁽²⁾	\$50	\$536												
Passenger shelter - Guemes						\$10								
Parking lot - Guemes						\$250								
Transfer span/machinery - Anacortes ⁽¹⁾							\$2,000							
Transfer span/machinery - Guemes ⁽¹⁾							\$2,000							
Head frame and towers - Anacortes ⁽¹⁾								\$350						
Head frame and towers - Guemes ⁽¹⁾								\$350						
Total Estimated Annual Costs	\$1,468	\$20,822	\$0	\$0	\$0	\$260	\$4,000	\$700	\$0	\$1,180	\$0	\$0	\$0	\$0

⁽¹⁾ Federal allocations & federal or state grants (80%), plus local match (20%)

⁽²⁾ Included in Six-Year Transportation Improvement Program

TABLE 4: PROJECTED REVENUE

(in 1000's of dollars)

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Ferry Fare Receipts ⁽¹⁾	\$1,130	\$1,153	\$1,176	\$1,199	\$1,223	\$1,248	\$1,273	\$1,298	\$1,324	\$1,350	\$1,377	\$1,405	\$1,433	\$1,462
Vessel Replacement Surcharge	\$245	\$245	\$245	\$245	\$245	\$245	\$245	\$245	\$245	\$245	\$245	\$245	\$245	\$245
Motor Vehicle Fuel Tax (Ferry Portion)	\$138	\$138	\$138	\$138	\$138	\$138	\$138	\$138	\$138	\$138	\$138	\$138	\$138	\$138
Ferry Deficit Reimbursement	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
County Road Fund Subsidy	\$1,726	\$4,251	\$618	\$643	\$967	\$844	\$1,518	\$1,202	\$870	\$1,033	\$1,162	\$953	\$882	\$1,268
Grant Funding ⁽²⁾	\$1,260	\$17,929	\$0	\$0	\$0	\$208	\$3,200	\$560	\$0	\$944	\$0	\$0	\$0	\$0
Total Revenue:	\$4,699	\$23,916	\$2,377	\$2,425	\$2,773	\$2,883	\$6,573	\$3,643	\$2,777	\$3,911	\$3,122	\$2,941	\$2,898	\$3,313

⁽¹⁾ Based on 2019 budgeted fare box revenue; projected 0% growth; 2% inflation in years following

⁽²⁾ For 2019 and 2020, based on planned funding as included in the 6-year TIP; for all other years, based on federal and/or state grants totaling 80% of total project cost